Financial Statements
June 30, 2024 and 2023
Nevada State Board of Occupational Therapy

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Independent Auditor's Report

To the Members Nevada State Board of Occupational Therapy Reno, Nevada

Report on the Audit of the Financial Statements

Opinion

I have audited the accompanying financial statements of the governmental activities and major fund of the Nevada State Board of Occupational Therapy (Board) as of and for the years ended June 30, 2024 and 2023, and the related notes to the financial statements, which collectively comprise the Board's basic financial statements as listed in the table of contents.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Nevada State Board of Occupational Therapy as of June 30, 2024 and 2023, and the respective changes in financial position thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis of Opinion

I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am required to be independent of the Board, and to meet my other ethical responsibilities, in accordance with the relevant ethical requirements relating to my audits. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Change in Accounting Principle

As discussed in Note 1 to the financial statements, the Board adopted new accounting guidance, GASB Statement No. 96, Subscription-Based Information Technology Arrangements for all periods presented. My opinion is not modified with respect to this matter.

Responsibility of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Board's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibility for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, I:

- Exercise professional judgment and maintain professional skepticism through the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit
 procedures that are appropriate in the circumstances, but not for the purpose of expressing an
 opinion on the effectiveness of the Board's internal control. Accordingly, no such opinion is
 expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in my judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Board's ability to continue as a going concern for a reasonable period of time.

I am required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that I identified during the audit.

Required Supplementary information

Accounting principles generally accepted in the United States of America require that the management discussion and analysis and budgetary comparison information on pages 4-7, and 21-22, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. I have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

Chistoansen Accounting Network

In accordance with *Government Auditing Standards*, I have also issued my report dated November 21, 2024, on my consideration of the Nevada State Board of Occupational Therapy's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Nevada State Board of Occupational Therapy's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Nevada State Board of Occupational Therapy's internal control over financial reporting and compliance.

Reno, Nevada November 21, 2024 Our discussion and analysis of the Nevada State Board of Occupational Therapy (Board) financial condition and activities for the fiscal years ended June 30, 2024 and 2023 is presented in conjunction with the audited financial statements.

Financial Highlights

- Program revenue for the fiscal years ended June 30, 2024 and 2023 were approximately \$243,000 and \$234,000, respectively, which represents continued increases. Program revenue exceeded budget for both years.
- General fund expenditures for the fiscal years ended June 30, 2024 and 2023 were approximately \$335,000 and \$322,000, respectively, which represents increases from previous years. The overall increases were due primarily to personnel costs. Overall expenses were less than budget during fiscal year 2023 and were over budget in fiscal year 2024 because of the payout of accrued PTO for an employee who retired.

The Management's Discussion and Analysis (MD&A) serves as an introduction to, and should be read in conjunction with, the basic audited financial statements and required supplementary information. The MD&A represents the Board members' and management's examination and analysis of the Board's financial condition and performance. Summary financial statement data, key financial and operational indicators used in the Board's budget and other management tools were used for this analysis.

The Board uses the modified accrual basis of accounting for internal financial statement reporting. The financial statements have been prepared in accordance with generally accepted accounting principles as they apply to governmental units. The financial statements include a Statement of Net Position and Governmental Fund Balance Sheet, a Statement of Activities and Governmental Fund Revenue, Expenditures and Changes in Fund Balance and Notes to the Financial Statements.

The Governmental Fund Balance Sheet and the Statement of Net Position present the financial position of the Board on both the modified accrual basis under the general fund and the full accrual basis as net position. This statement provides information on the Board's assets and liabilities with the difference reported as net position. Over time, increases and decreases in net position are one indicator of whether the financial position of the Board is improving or deteriorating.

The Governmental Fund Balance Sheet and the Statement of Net Position provide information about the nature and amount of resources and obligations at year end. The Governmental Fund Revenue, Expenditures and Changes in Fund Balance and the Statement of Activities present the results of the activities over the course of the fiscal years and information as to how the fund balance and net position changed during each year. The fund balance changes under the modified accrual method when revenue is received or the expenditure is made, while changes in net position under the full accrual method are recorded as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. This statement also provides certain information about the Board's recovery of its costs.

The notes to financial statements provide required disclosures and other information that are essential to a full understanding of material data provided in the statements. The notes present information about the Board's accounting policies, significant account balances and activities, material risks, obligations, commitments, contingencies, and subsequent events, if any.

The financial statements were prepared from the detailed books and records of the Board. The financial statements were audited during the independent external audit process.

Financial Analysis

The basic financial statements, as well as the required supplementary information, the Statement of Revenue and Expenditures – Budget and Actual, serve as the key financial data for the Board members' and management's monitoring and planning. Comments regarding budget-to-actual variances and year-to-year variances are included in the following Results of Operations by the name of the statement or account.

Statements of Net Position

The Board's net position remains strong at each year-end with adequate liquid assets to fulfill its responsibilities. The Board members and management believe the current financial condition and staff capabilities are sufficient to meet anticipated operating expenses and operational objectives.

Statements of Activities

Revenue: The program revenue received by the Board is generated through the application, renewal, and licensure fees of occupational therapists and occupational therapy assistants in Nevada. Total revenue received by the Board for the fiscal year ended June 30, 2024 was approximately \$9,000 more than the total revenue for the fiscal year ended June 30, 2023 due primarily to increases in license fees revenue.

Expenses: Operating expenses for the fiscal year ended June 30, 2024 were approximately \$53,000 less than the operating expenses for the fiscal year ended June 30, 2023 due primarily to biennial audit costs incurred in fiscal year 2023 and decreases in accrued payroll costs, legislative services, and travel.

General Fund Budgetary Highlights

Total revenue received was more than budget for each of the fiscal years ended June 30, 2024 and 2023 because of an increase in licensees and investment performance.

Total expenses were less than budget for fiscal year 2023 primarily in the areas of legal fees and other operating costs. In fiscal year 2024, personnel costs exceeded budget due to payout of accrued leave benefits for an employee who retired offset by less than budgeted operating expenses.

342,004

\$ 334,031 \$ 346,124

357,452

Following are summaries of the Board's Statements of Position and Statements of Activities:

CONDENSED STATEMENTS OF NET POSITION									
		2024		2023					
ASSETS	•								
Cash and cash equivalents	\$	409,773	\$	231,012					
Investments		221,757		378,273					
Other current assets		11,156		8,533					
Capital, lease, and subscription assets, net		89,814	_	94,892					
Total Assets	•	732,500		712,710					
LIABILITIES									
Accounts payable and other current liabilities		7,019		3,736					
License fees received in advance		286,421		217,971					
Accrued leave benefits		7,242		38,659					
Long-term liabilities - leases and subscription	s								
Due within one year		34,321		29,107					
Due in more than one year		63,466		77,113					
Total Liabilities	•	398,469		366,586					
NET POSITION									
Net invested in capital and lease assets		(7,973)		(11,328)					

Unrestricted

Total Net Position

CONDENSED STATEMENTS OF ACTIVITIES									
		2024		2023					
REVENUE	-								
Licence fees	\$	209,263	\$	196,917					
Other fees		33,607		36,666					
Investment income		25,277		8,640					
Other income		20,280		17,779					
Total revenue	•	288,427		260,002					
EXPENDITURES AND EXPENSES									
Operations		55,030		85,850					
Personnel		207,489		229,469					
Depreciation and amortization		34,570		28,479					
Interest		5,556		5,331					
Total expenditures	-	302,645	•	349,129					
	•								
CHANGE IN NET POSITION	\$	(14,218)	\$	(89,127)					

Economic Factors and Next Year's Budget

The Board is charged with, and given statutory authority, to provide public protection through the licensure and regulation of occupational therapists and occupational therapy assistants. The Board provides direction of staff actions toward its mission of public protection through licensure and disciplinary measures.

Staff continues seeking areas in which operating expenses can be reduced without jeopardizing the high level of customer service the licensees and public expect.

Through the Board members' and management's review of the annual budget and monthly income and expense statements, it is expected that these tools will continue to provide the Board with sufficient long and short-term planning information.

	2024					
		General	Adjus	tments	Statement of	
		Fund	(Note 7)		Net	Position
<u>ASSETS</u>						
Cash and cash equivalents	\$	409,773	\$	-	\$	409,773
Accounts receivable		338		732		1,070
Prepaid expenses		10,086		-		10,086
Investments		221,757		-		221,757
Capital assets, net of accumulated depreciation		-		-		-
Lease assets, net of accumulated amortization		-		66,466		66,466
Subscription asset, net of						
accumulated amortization				23,348		23,348
Total assets		641,954		90,546		732,500
LIADULTIES						
LIABILITIES Accounts payable and payroll liabilities	\$	7,019				7,019
Licensing fees received in advance	Ф	286,421		-		286,421
Accrued leave benefits		200,421		7 242		7,242
		-		7,242		7,242
Long-term liabilities						
Due within one year:				20 EEG		20 EE6
Lease liability - current		-		28,556		28,556
Subscription liability - current		-		5,765		5,765
Due in more than one year:				40,400		40, 400
Lease liability - noncurrent		-		46,432		46,432
Subscription liability - noncurrent	-			17,034	•	17,034
Total liabilities		293,440	1	05,029		398,469
FUND BALANCE / NET POSITION						
Fund balance						
Nonspendable		10,086		(10,086)		_
Unassigned		338,428		338,428)		_
3 111 3						
Total fund balance		348,514	(3	348,514)		
Total liabilities and fund balance	\$	641,954				
Net position						
Net investment in capital, lease,						
and subscription assets				(7,973)		(7,973)
Unrestricted			3	342,004		342,004
230333						3 .=,00 .
Total net position			\$ 3	34,031	\$	334,031

	2023						
		General	Adjı	ustments	Statement of		
		Fund	(Note 7)		Ne	t Position	
<u>ASSETS</u>							
Cash and cash equivalents	\$	231,012	\$	-	\$	231,012	
Accounts receivable		902		-		902	
Prepaid expenses		7,631		-		7,631	
Investments		378,273		_		378,273	
Capital assets, net of accumulated depreciation		-		923		923	
Lease assets, net of accumulated amortization		_		93,969		93,969	
						00/000	
Total assets		617,818		94,892		712,710	
<u>LIABILITIES</u>							
Accounts payable and payroll liabilities		3,736		_		3,736	
Licensing fees received in advance		217,971		_	217,971		
Accrued leave benefits		217,071		38,659		38,659	
Long-term liabilities		_		30,033		30,033	
Due within one year:							
Lease liability - current				29,107		29,107	
·		-		29,107		29,107	
Due in more than one year:				77 440		77 440	
Lease liability - noncurrent				77,113	-	77,113	
Total liabilities		221,707		144,879		366,586	
FUND BALANCE / NET POSITION							
Fund balance							
Nonspendable		7,631		(7,631)		_	
Unassigned		388,480		(388,480)		_	
				(000)			
Total fund balance		396,111		(396,111)			
Total liabilities and fund balance	\$	617,818					
		<u> </u>					
Net position							
Net investment in capital and lease assets				(11,328)		(11,328)	
Unrestricted				357,452		357,452	
Total net position			\$	346,124	\$	346,124	

Nevada State Board of Occupational Therapy Statements of Activities and Governmental Fund Revenue, Expenditures, and Changes in Fund Balances Years Ended June 30, 2024 and 2023

	2024						
	General Fund		Adjustments (Note 7)			tement of ctivities	
Expenditures/Expenses							
Board oprations	\$	335,292	\$	(72,773)	\$	262,519	
Depreciation	·	-		923	·	923	
Amortization		-		33,647		33,647	
Interest				5,556		5,556	
Total expenditures/expenses		335,292		(32,647)	7) 302,		
Program Revenue							
Charges for services		242,138		732		242,870	
Other Income and Expenses							
Sub-lease income		14,550		-		14,550	
Investment income		25,277		-		25,277	
Other income		5,730				5,730	
Total other income and expenses		45,557				45,557	
Excess (Deficiency) of Revenue							
Over (Under) Expenditures		(47,597)		47,597		-	
Change in Net Position		-		(14,218)		(14,218)	
Fund Balance/Net Position, Beginning of Year		396,111		(49,987)		346,124	
Fund Balance/Net Position, End of Year	\$	348,514	\$	(16,608)	\$	331,906	

Nevada State Board of Occupational Therapy Statements of Activities and Governmental Fund Revenue, Expenditures, and Changes in Fund Balances Years Ended June 30, 2024 and 2023

	2023						
	General Fund		Adjustments (Note 7)			tement of ctivities	
Expenditures/Expenses							
Board oprations	\$	322,442	\$	(7,123)	\$	315,319	
Depreciation		-		976		976	
Amortization		-		27,503		27,503	
Interest				5,331		5,331	
Total expenditures/Expenses		322,442		26,687	349,		
Program Revenue							
Charges for services		233,583				233,583	
Other Income and Expenses							
Sub-lease income		11,179		-		11,179	
Investment income		8,640		-		8,640	
Other income		6,600				6,600	
Total other income and expenses		26,419				26,419	
Excess (Deficiency) of Revenue							
Over (Under) Expenditures		(62,440)		62,440		-	
Change in Net Position		-		(89,127)		(89,127)	
Fund Balance/Net Position, Beginning of Year		458,551		(23,300)		435,251	
Fund Balance/Net Position, End of Year	\$	396,111	\$	(49,987)	\$	346,124	

Note 1 - Reporting Entity and Summary of Significant Accounting Policies

The Nevada State Board of Occupational Therapy (Board) is regulated by Nevada Revised Statutes (NRS) 640A, which also specify the authorized activities of the Board. It is the licensing and regulatory agency for the practice of occupational therapy in the state of Nevada. The Board was created to examine and pass upon the qualifications of the applicants for licensure, to license qualified applicants, to revoke or suspend licenses and to collect all fees and make disbursements for program activities.

The financial statements of the Board have been prepared in accordance with generally accepted accounting principles as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

The following is a summary of the more significant policies.

Reporting Entity

Effective July 1, 2001, Chapter 353 of the Nevada Revised Statutes (NRS) was amended to exempt certain professional and occupational boards from the state budget act and the provisions governing the administration of state funding. The provisions of Chapter 353 do not apply to boards created pursuant to chapters 623 to 625A, inclusive, 628, 630 to 640A, inclusive, 641 to 644, inclusive, 654 and 656 of the NRS and the officers and employees thereof. Accordingly, the Board's budgeting and accounting practices and procedures have been removed from the oversight of the Department of Administration.

The Board's financial statements are not included in the general-purpose financial statements of the State of Nevada since the State does not exercise financial or administrative control over the Board. This is in conformance with GASB codification Section 2100, *Defining the Financial Reporting Entity*.

Basis of Presentation

The Board is defined as a single-program special-purpose entity under GASB Statement No. 14, paragraph 131 as amended by GASB Statement No. 39. This classification allows for the preparation of GASB 34 financial statements, as amended by GASB 63, under an optional reporting method which combines the fund and government-wide statements into a single presentation. Under standard GASB 34 methodology, as amended, the government-wide statement of net position and statement of activities are presented independently from the respective fund balance sheet and statement of revenues, expenditures, and fund balance. A reconciliation of adjustments provided on the modified financial statements demonstrates the changes from the fund financial statements to the government-wide financial statements in order to assist the reader in evaluating these statements. The Board has utilized this optional method of presentation.

Fund Accounting

The general fund of the Board is used to account for the proceeds of specific revenue sources that are legally restricted to expenditures to be used solely for the Board's benefit. The net position of the general fund is restricted solely to be used by the Board to meet its obligation of licensing and regulating occupational therapists and occupational therapy assistants in the state of Nevada.

Basis of Accounting

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenue is recognized as soon as it is both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectable within the current period or within 60 days after year-end to pay liabilities of the current period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, expenditures relating to compensated absences are recorded only when payment is due.

The Board has only governmental fund types.

Budget Data

The Board prepares an annual budget. The budget is prepared on a basis similar to generally accepted accounting principles under the modified accrual basis of accounting. All annual appropriations lapse at fiscal year-end.

Cash and Cash Equivalents

Cash includes a checking account at a commercial bank and a money market fund in a brokerage account. By provision of statutes, the Board is authorized to deposit all money in banks or savings and loan associations located in the state of Nevada and must be subject to withdrawal on demand. The Board participates in the State of Nevada collateralization program to assure that funds deposited are protected.

Investments

Investments include time certificates of deposit and mutual funds stated at fair value. The net increase (decrease) in the fair value of investments is the difference between the cost (if purchased during the fiscal year) or the fair value of the investments at the beginning of the fiscal year, and the fair value of the investments at the end of the fiscal year. Changes in fair value of investments are reflected, together with interest income, as investment income (loss) in the accompanying financial statements. By statutes, all funds must be deposited in entities that are in the state of Nevada.

Accounts Receivable

For the governmental fund financial statements, the accounts receivable represents fees and reimbursements collected within 60 days subsequent to year end that are an available resource for the current year.

For the government-wide financial statements the accounts receivable represents all fees and reimbursements due as of year-end. All amounts are considered collectible by management.

Capital Assets

Capital assets, which include furniture and equipment are reported in the net asset column in the government-wide financial statements. Capital assets are defined by the Board as assets with an initial, individual cost of \$5,000 and an estimated useful life of at least one year. Such assets are recorded at historical cost. Donated assets are recorded at acquisition value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are expensed as incurred. Capital assets are depreciated using the straight-line method over 3 to 7 years.

Under the modified accrual basis of accounting, acquisitions are considered expenditures in the year purchased.

Compensated Absences

It is the Board's policy to permit employees to accumulate earned but unused personal time off (PTO) benefits. No liability is reported for unpaid accumulated PTO on the general fund balance sheet as no amounts were due and payable at year end. Accumulated unused PTO leave earned as of June 30, 2024 and 2023, is reflected in the statements of net position.

Licensing Fees Received in Advance

The Board's licensing period encompasses a two-year period. Licensing fees revenue is recognized ratably over the renewal period.

Licensing fees received in advance consists of the unearned portion of biennial license renewal fees collected prior to June 30, 2024 and 2023 that are applicable to future periods.

Fund Equity and Net Position

In the governmental fund financial statement, fund balances are classified as follows:

- Nonspendable represents amounts that are either not in a spendable form or are legally or contractually required to remain intact. The Board includes fund balances that have been prepaid for expenses in this category.
- Restricted represents amounts which can be spent only for specific purposes because of state or federal laws, or externally imposed conditions. The Board has no restricted fund balances.
- Committed represents amounts which can be used only for specific purposes determined by the members of the governing Board's formal action through a resolution or action. The Board has no committed funds.
- Assigned represents amounts that are intended by the Board for specific purposes but do not require action by the governing Board. The Board has no assigned funds.
- Unassigned represents all amounts not included in nonspendable classifications.

The Board's policy is to first apply expenditures against restricted or nonspendable fund balances. In instances where an unrestricted fund balance type could be used, it is the Board's policy to first apply expenditures against committed fund balances, if present. On an annual basis, when applicable, assigned fund balances are determined based upon available resources.

In the government-wide financial statements, net position is classified as follows:

- Net investment in capital and lease assets consists of capital and lease assets, net of accumulated depreciation, amortization, and any related debt.
- Restricted net position consists of net position with constraints placed on their use either by (1) external groups such as creditors, grantors, contributors, or laws and regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- Unrestricted net position net position that is neither classified as "invested in capital and lease assets" nor as "restricted."

The Board's policy is to first apply expenditures to restricted net position when an expenditure is incurred for which both restricted and unrestricted net position are available.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

New Accounting Pronouncement

The Board adopted the provisions of GASB Statement No. 96, *Subscription-Based Information Technology Arrangements* (SBITA). The objective of this statement is to better meet the information needs of financial statement users by improving the accounting and financial reporting for subscription-based technology that carries a right to use the underlying assets. This statement increases the usefulness of governments' financial statements by requiring recognition of certain subscription assets and liabilities similar to operating leases under GASB Statement No. 87. SBITAs with original terms, including renewal or extension options, with maximum possible terms of 12 months are excluded from this standard. The Board applied GASB Statement No. 96 for all prior periods presented, as applicable. The implementation of this new standard had no effect on previously reported fund balance or net position.

GASB Statement No. 100, Accounting for Changes and Error Corrections - An Amendment of GASB Statement No. 62, became effective in fiscal year 2024. The primary objective of the standard is to enhance accounting and financial reporting requirement for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions and assessing accountability. The adoption of GASB Statement No. 96 did not require a restatement of account balances, fund balance. or net position.

Upcoming Accounting Pronouncement

GASB Statement No. 101, *Compensated Absences*, will be effective for fiscal years beginning after December 15, 2023. The objective of the statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences by aligning such guidance under a unified model and amending certain previously required disclosures. The Board has not yet determined whether the implementation of this pronouncement will have a material impact on the financial statements.

Subsequent Events

Subsequent events have been evaluated through November 21, 2024, which is the date the financial statements were available to be issued.

Note 2 - Cash, Cash Equivalents, and Investments

Cash and cash equivalents consist of the following at June 30:

	2024			2023
Cash Money market funds	\$	267,876 141,897	\$	170,669 60,343
	\$	409,773	\$	231,012

The fair value of investments consists of the following at June 30:

	-	2024	2023
Mutual funds Certificates of deposits	\$	196,845 24,912	\$ 69,930 308,343
	\$	221,757	\$ 378,273

Investment income consists of the following for the years ended June 30:

	2024	 2023
Interest and dividends Unrealized gain (loss)	\$ 17,334 7,943	\$ 7,804 836
	\$ 25,277	\$ 8,640

Investment Risk Factors

There are many factors that can affect the fair value of investments. Some factors, such as credit risk and concentrations of credit risk may affect fixed income securities, which are particularly sensitive to credit risks and changes in interest rates. The Board invests in certificates of deposit and government portfolio mutual funds.

Custodial Credit Risk

The custodial credit risk for deposits is the risk that, in the event of a failure of a depository financial institution, the Board will not be able to recover deposits or collateral securities that are in the possession of an outside party. The Board maintains its cash accounts in commercial banks and brokerage firms in

Nevada. The demand deposit accounts and certificates of deposit are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 at each institution. The cash and investment balances in brokerage accounts are insured by the Securities Investor Protection Corporation (SIPC) up to \$500,000, including \$250,000 for cash balances, at each institution. Money market funds and mutual funds at brokerage firms are U.S. government-backed securities. Excess cash balances are protected through the Board's participation in the State of Nevada collateralization program for bank deposits.

Credit Risk

Credit risk is the risk that an issuer will not fulfill its obligations. In accordance with GASB Statement No. 40, Deposit and Investment Risk Disclosures – an amendment to GASB Statement No. 3, obligations of the U.S. government or obligations explicitly guaranteed by the U.S. government are not considered to have credit risk and do not require disclosure of credit quality and they are not rated. The Board's mutual funds and certificates of deposit are not rated.

Concentration of Credit Risk

Concentration of credit risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Board's goal is to maintain short-term funds sufficient to meet the expected current cash requirements of the Board and to preserve the principal of investment balances while maximizing return. Appropriate types of investments include FDIC insured interest baring accounts, certificates of deposit, and U.S. government-backed securities. The Board currently limits the purchase of certificates of deposit to \$250,000 per bank institution to maximize FDIC insurance coverage.

Note 3 - Capital and Right-of-Use Assets

The Board has custodial responsibility to the State of Nevada for furniture, fixtures and equipment acquired with resources of the Board. The capital asset activity during the years is as follows:

	2024								
		Balance					Е	Balance	
	Jun	e 30, 2023	Ac	ditions	Dele	tions	Jun	e 30, 2024	
Capital assets not being depreciated					•		· ·		
None	\$	-	\$	-	\$	-	\$	-	
Capital and lease assets being depreciated or amortized:									
Office equipment and furniture		15,050		-		-		15,050	
Lease asset		192,383		-		-		192,383	
Subscription asset		-		29,492		-		29,492	
Less accumulated depreciation									
and amortization		(112,541)		(34,570)				(147,111)	
Total capital and lease							<u> </u>		
assets, net	\$	94,892	\$	(5,078)	\$		\$	89,814	

	2023								
	Е	Balance					Balance		
	Jun	e 30, 2022	A	dditions	Dele	tions	<u>Jur</u>	ne 30, 2023	
Capital assets not being depreciated									
None	\$	-	\$	-	\$	-	\$	-	
Capital assets being depreciated									
Office equipment and furniture		15,050		-		-		15,050	
Lease asset		192,383		-		-		192,383	
Less accumulated depreciation									
and amortization		(84,062)		(28,479)				(112,541)	
Total capital and lease								_	
assets, net	\$	123,371	\$	(28,479)	\$		\$	94,892	

The Board currently leases office space in Reno, Nevada under an agreement effective through November 30, 2026. The lease initially required monthly payments of \$2,500 with annual increases of 3% per year. The lease asset totals \$192,383 net of accumulated amortization of \$126,055 and \$98,552 for the years ended June 30, 2024 and 2023, respectively. Following is a summary of the remaining minimum payments:

Years Ending June 30,	Principal		Interest		 Total	
2025	\$	28,556	\$	3,085	\$ 31,641	
2026		32,499		1,857	34,356	
2027		13,933		558	14,491	
	\$	74,988	\$	5,500	\$ 80,488	

The Board subleases a portion of its office space to other State Boards. Sublease income totaled \$14,550 and \$11,179 for the years ended June 30, 2024 and 2023, respectively.

The Board entered into a right-of-use agreement for licensing software effective September 1, 2023 through August 31, 2027. The subscription asset totals \$29,492 with accumulated amortization of \$6,144 at June 30, 2024. Following is a summary of the remaining minimum payments:

Years Ending June 30,	Principal		Interest		Total	
2025	\$	5,765	\$	1,069	\$	6,834
2026		7,612		755		8,367
2027		8,066		417		8,483
2028		1,356		60		1,416
		_				
	\$	22,799	_\$_	2,301	_\$_	25,100

Note 4 - Long-Term Obligations Activity

Following is a summary of the change in long-term lease obligations:

		Balance y 1, 2023	Increases		Decreases		Balance June 30, 2024		Current Portion	
Office lease Subscription	\$ 	106,220 - 106,220	\$	29,492 29,492	\$	(31,232) (6,693) (37,925)	\$	74,988 22,799 97,787	\$	28,556 5,765 34,321
	_	Balance y 1, 2022	ln	creases	De	ecreases	_	Balance e 30, 2023	_	urrent
Office lease	\$	140,506	\$	_	\$	(34,286)	\$	106,220	\$	29,107

Note 5 - Retirement Benefits

The Board does not currently participate in the Public Employees Retirement System (PERS); however, it may elect to be a participating employer in the future. If the Board elects to be a participating employer in PERS, the Board will be required to participate for the life of the Board.

Employees may elect to make pre-tax contributions to the Nevada Deferred Compensation Program (Program) a qualified 457(b) plan. The Board may make contributions to the Program on behalf of employees who have worked for twelve consecutive months or more at an amount to be determined at the Board's discretion. For the fiscal years ended June 30, 2024 and 2023, the Board's employer contributions totaled \$8,627 and \$15,681, respectively.

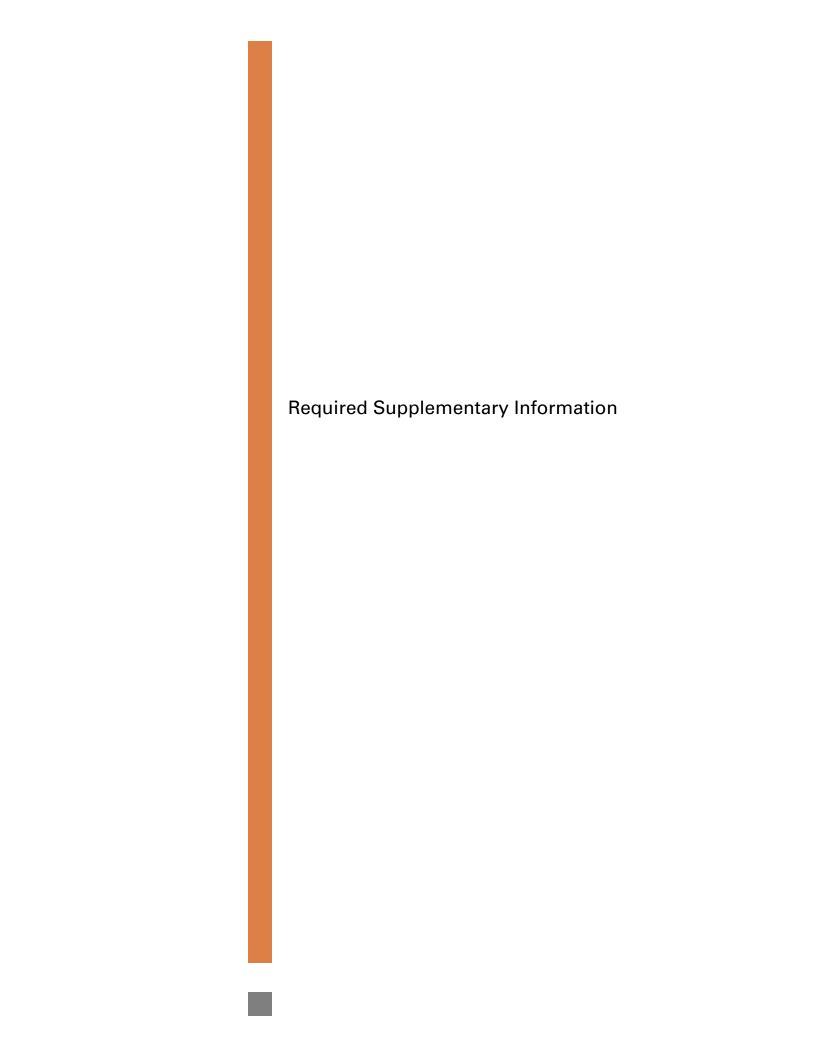
Note 6 - Compliance with Nevada Revised Statutes and Nevada Administrative Code

The Board conformed to all significant statutory constraints on its financial administration during the fiscal years.

Note 7 - Conversion to Government-Wide Financial Statements

Adjustments on the face of the financial statements were made to the fund balance sheets and statements of revenue, expenditures, and changes in fund balances in order to reconcile the fund financial statements to the government-wide statements of net position and activities. The adjustments include the following:

	2024	 2023
Fund Balance - Total Governmental Funds	\$348,514	\$ 396,111
Assets		
Current assets:		
Accounts receivable beyond 60 days	732	-
Capital assets, net of accumulated depreciation	-	923
Lease assets, net of accumulated amortization	66,466	93,969
Subscription asset, net of accumulated amortization	23,348	-
Liabilities		
Compensated absences	(7,242)	(38,659)
Lease liability	(74,988)	(106, 220)
Subscription liability	(22,799)	-
Net Position	\$334,031	\$ 346,124
Deficiency of Revenue Under Expenditures	\$ (47,597)	\$ (62,440)
Expenditures/Expenses		
Equipment capitalized	-	-
Lease and subscription expense	41,356	28,670
Change in accrued leave benefits	31,417	(8,074)
Depreciation	(923)	(976)
Amortization of lease and subscription assets	(33,647)	(27,503)
Interest expense on lease and subscription liabilities	(5,556)	(5,331)
Bad debt	-	(13,473)
Revenue		
Accounts receivable beyond 60 days	732	-
Change in Net Position	\$ (14,218)	\$ (89,127)



	Original and Final Budget		Actual Amounts Budgetary Basis		Variance - Favorable (Unfavorable)	
Revenue			-			,
Fines and fees						
License fees	\$	202,823	\$	209,263	\$	6,440
Other fees		34,943		32,875		(2,068)
Sub-lease income		14,279		14,550		271
Investment income		4,750		25,277		20,527
Other income		6,798		5,730		(1,068)
Total revenue		263,593		287,695		24,102
Expenditures						
Personnel services						
Salaries and wages		171,553		210,806		(39,253)
Payroll taxes		13,982		16,966		(2,984)
Employee benefits		11,222		11,134		88
		196,757		238,906		(42,149)
Travel		3,500		2,339		1,161
Operating						
Accounting and audit fees		3,000		3,000		-
Attorney General - legal fees		12,000		8,505		3,495
Board education		2,250		2,550		(300)
Credit card and bank fees		6,114		6,637		(523)
Dues and subscriptions		3,050		2,307		743
Equipment		3,600		2,994		606
Information technology		500		-		500
Insurance		1,200		2,297		(1,097)
Legislative services		18,000		18,000		-
Licensing software subscription		8,500		8,068		432
Meeting expenses		-		2,414		(2,414)
Office expenses		3,980		3,099		881
Office lease		34,056		33,356		700
Office supplies		800		820		(20)
Total expenditures		297,307		335,292	-	(37,985)
Excess (Deficiency) of Revenue						
Over (Under) Expenses	\$	(33,714)	\$	(47,597)	\$	(13,883)

	2023					
			Actua	al Amounts	Variance -	
	-	ginal and	Budgetary		Favorable	
	_ Fina	Final Budget		Basis	(Unfavorable)	
Revenue						
Fines and fees	_		_		_	
License fees	\$	195,331	\$	196,917	\$	1,586
Other fees		32,400		36,666		4,266
Sub-lease income		10,130		11,179		1,049
Investment income		2,500		8,640		6,140
Other income		6,000		6,600		600
Total revenue		246,361		260,002		13,641
Expenditures						
Personnel services						
Salaries and wages		186,906		185,458		1,448
Payroll taxes		15,844		15,726		118
Employee benefits		20,199		20,211		(12)
		222,949		221,395		1,554
Travel		4,700		5,491		(791)
Operating		.,		5, 15 1		(101)
Accounting and audit fees		12,600		12,600		_
Attorney General - legal fees		12,000		2,657		9,343
Board education		1,500		1,804		(304)
Credit card and bank fees		5,843		4,952		891
Dues and subscriptions		2,700		2,708		(8)
Equipment		2,100		1,882		218
Information technology		1,000		-		1,000
Insurance		1,200		1,222		(22)
Legislative services		24,000		24,000		-
Licensing software subscription		8,850		7,810		1,040
Meeting expenses		100		50		50
Office expenses		3,650		2,844		806
Office lease		34,056		32,384		1,672
Office supplies		700		643		57
Total expenditures		337,948		322,442		15,506
Excess (Deficiency) of Revenue						
Over (Under) Expenses	\$	(91,587)	\$	(62,440)	\$	29,147



Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards

To the Members Nevada State Board of Occupational Therapy Reno, Nevada

I have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, the financial statements of the Nevada State Board of Occupational Therapy (Board), as of and for the years ended June 30, 2024 and 2023 and the related notes to the financial statements, which collectively comprise the Nevada State Board of Occupational Therapy' basic financial statements, and have issued my report thereon dated November 21, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing my audit of the financial statements, I considered the Nevada State Board of Occupational Therapy' internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing my opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Nevada State Board of Occupational Therapy' internal control. Accordingly, I do not express an opinion on the effectiveness of the Boards' internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

My consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during my audits I did not identify any deficiencies in internal control that I consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Report on Compliance and Other Matters

Chistansen Accounting Network

As part of obtaining reasonable assurance about whether the Nevada State Board of Occupational Therapy financial statements are free from material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit, and accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of my testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Reno, Nevada

November 21, 2024